The Skinny on BFY

Healthy eating is the top trend in dining this year. Panera and now McDonald’s are already posting calories on their menus, which will drive even more demand for better-for-you menu items. Major chains have stepped up with complete programs, including:

- McDonald’s - Favorites Under 400 Calories
- Dunkin’ Donuts - DDSMART
- Einstein Noah Restaurant Group - Smart Choices
- Corner Bakery - Corner Combos (under 600 calories)
- Whataburger - 550 Calories or Less

Consumers have no lack of choices when it comes to healthier items in the morning:

- McDonald’s Egg McMuffin and Sausage (and Egg) Burrito (both 300 calories)
- Dunkin’ Donuts’ Ham, Egg & Cheese Wake-Up Wrap (200 calories) and Egg White Flatbread Sandwiches (280 calories)
- Einstein Bros. Bagels’ Asparagus, Mushroom & Swiss Bagel Thin Egg White Sandwich (271 calories)
- Corner Bakery’s Avocado & Spinach Power Panini Thin (320 calories using whole eggs)
- Whataburger’s Bacon and Egg Taquito (380 calories)

DID YOU KNOW?

- World Egg Day (WED) was October 12th; visit the new website www.worldeggday.com.
- In conjunction with WED, The American Egg Board re-launched the iconic Incredible Edible Egg™ jingle on October 9. Efforts included national radio advertising, ringtones, and a consumer contest on Facebook.com/IncredibleEdibleEgg.
- During October, 2,000 Subway locations on the East Coast and in the Midwest participated in a breakfast promotion whereby America’s Egg Farmers donated one egg to feed the hungry for each egg breakfast sandwich purchased.
- The U.S. produces about 10% of the world’s egg supply, and donates more than 10 million eggs to feed the hungry each year.

Time for Breakfast?

Breakfast foods’ popularity has driven their availability beyond the morning meal, with many chains continuing to explore how to make the trend work all day.

One to watch is McDonald’s. Already offering its Oatmeal, Cinnamon Melts and Fruit ‘N Yogurt Parfaits throughout the day, the chain recently launched “Breakfast after Midnight.” Currently in test at more than 130 24-hour locations in central Ohio, Denver and Boston, hot breakfast sandwiches, breakfast burritos and pancakes are available for 10-11 hours each day, beginning at 12 a.m. With 40% of all locations open 24/7 at the end of 2011, a nationwide rollout would have a major impact on the competitive landscape.

And speaking of 24/7, the current all-day breakfast ranks are robust: Dunkin’ Donuts, Sonic, Starbucks, Jack in the Box, Bruegger’s/Einstein Bros. Bagels, select Subways, Denny’s and other family style restaurants already offer eggs all day.

Rising Breads

There are many ways to add new twists to old favorites, but to attract new trial without alienating loyal customers, try using a different starch:

- Flatbread has become a breakfast staple (Dunkin’ Donuts, Subway) and Ciabatta is making inroads (Panera, Caribou Coffee).
- Maple-flavored breakfast sandwich starches are found at many chains (McDonald’s, Jack in the Box).

- Brioche is fast becoming common in breakfast LTOs (Perkin’s, Au Bon Pain).
- Flavored bagels (Einstein Bros.), waffles (Dunkin’ Donuts), sourdough (Jack in the Box), and Texas Toast (Dunkin’ Donuts and Whataburger) are all found on menus, with more being tested via LTOs.

You’d be surprised to see how the creativity of chains has risen in the morning.
**QRS Versus FCR**

Quick-service (QSR) and fast-casual (FCR) are dueling for the morning sales dollar. While each segment offers significant attractions, both also are working to emulate the other’s advantages:

- **QSR** wins out on price and speed of service, but FCR has been working to close the gap on each.
- FCR’s perceived fresh-made items and upscale flavors are alluring, but QSR is countering with specialty ingredients like avocado, feta, artisanal breads, Italian seasonings, and fresh-made salsa.
- **Drive-thrus** make QSR attractive for the time-strapped consumer, but chains like Panera are including drive-thrus in new construction.

Menu incidence (% of locations menuing) of breakfast sandwiches has grown by 35% at QSR and by 29% at FCR since 2010, showing the commitment of each to the morning meal.

**By the Numbers**

- **Menu penetration of breakfast burritos** at all restaurants rose from 22.7% in 2008 to 25.3% in 2012, an increase of 11.5%.
- **41%** of breakfast restaurant users ordered a breakfast sandwich on their last visit to any restaurant.
- **QSR breakfast sandwich servings** were up 6% for the year ending May 2012 versus the prior year.
- **Egg servings** at QSR morning meal have increased 5% for the year ending May 2012 versus prior year.
- Breakfast traffic has increased 5% and dollar sales are up 7% at QSRs versus prior year for the year ending May 2012.
- Eggs are the #1 protein found on QSR breakfast sandwiches (on 86.3% of menus); bacon is a distant second, at 67.3%.
- The number of breakfast sandwiches listed on fast casual bakery café menus grew 36% between 2Q 2009 and 2Q 2012.
- In 2011, FCR accounted for 14% of the limited-service restaurant (LSR) segment, up from 5% in 2001.

**Recent Chain Launches**

- **Bruegger’s**: Better Cheddar Egg sandwich, made with egg, Cheddar cheese, bacon and light herb garlic cream cheese. (June)
- **Jack in the Box**: Waffle Breakfast Sandwich, with fried egg, American cheese and a sausage patty between two maple waffles. (July)
- **Hardee’s**: Bacon Bacon Biscuit, added both crispy bacon as well as Canadian bacon to an egg and cheese biscuit. (July LTO)
- **Sonic**: Breakfast Burritos, the Zesty Cheesesteak and the Smoked Chipotle, both made with eggs, marinated sirloin steak, grilled onions, golden tots and Cheddar cheese, and topped with either zesty cheese sauce or smoked chipotle sauce and jalapeños. (August)
- **Burger King**: Italian Breakfast Burrito made with eggs, sausage, tomato, onion, green bell pepper and Italian seasonings. (August)
- **Taco Bell**: A.M. Crunchwrap, featuring scrambled eggs, cheese, hash brown patty and a choice of bacon or sausage, wrapped in a flour tortilla and grilled. (August)
- **Tim Hortons**: Flatbread Breakfast Panini menu consists of 16 varieties filled with classic breakfast ingredients grilled on multigrain or maple flatbread. More than half have 300 calories or less. (September)

**Sources**

1. National Restaurant Association, 2012; American Culinary Federation, 2012
4. The NPD Group/CREST®, 2012
5. Mintel Menu Insights Category Reports, August 2012
7. Technomic, 2012

For more breakfast insights and information go to

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